

July 13, 1965

Subject: Proposal 2209

Dear Bill:

STAT It is with considerable regret that we found it necessary to reopen negotiations on the subject proposal. Although our overhead had been above the bidding rate, it was hoped until now, that we would be able to reduce it to 135% for the year. This now appears impossible, because of delays in receiving negotiated contracts and also because of reduced government spending. It was not until the 6th of July that a series of management meetings began and called by the President of [redacted] [redacted] that resulted in a decision to establish a more realistic bidding and provisional billing rates.

We are now in the process of notifying all customers with which CPFF proposals have been submitted that a revised estimate will be forthcoming.

Your consideration will be appreciated.

Sincerely,

[redacted]

Declass Review by NGA.

HEADQUARTERS
SAN FRANCISCO CONTRACT MANAGEMENT DISTRICT
WESTERN CONTRACT MANAGEMENT REGION
AIR FORCE SYSTEMS COMMAND
UNITED STATES AIR FORCE
1069 EAST MEADOW CIRCLE
PALO ALTO, CALIFORNIA

REPLY TO
ATTN OF: RWHSK-1/JRT/jk/307

12 July 1965

SUBJECT: Overhead and G&A Rates - Vidya FY 1965

TO:

[Redacted]

1. Reference: [Redacted] letter of 12 July 1965 concerning subject.

2. Pending verification of your burden and G&A accounts, following rates are tentatively approved for bidding and provisional billing purposes:

Overhead Expense - 160% Direct Labor Dollars

General Administrative Expense - 14%

[Redacted]